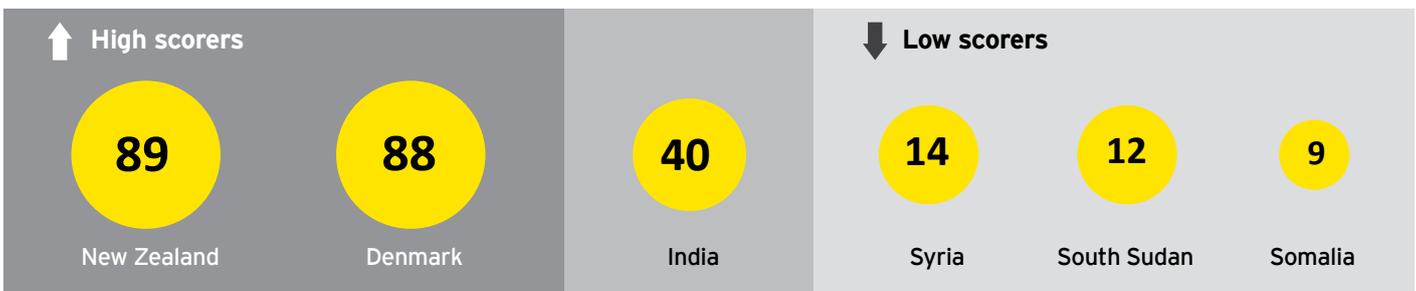


Corruption is still a significant obstacle for growth

India analysis of Transparency International's Corruption Perceptions Index 2017

Forensic & Integrity Services

The annual Corruption Perceptions Index (CPI) by Transparency International (TI) ranks countries and territories by their perceived levels of corruption and scores them on a scale of 0 to 100, where 0 means highly corrupt and 100 denotes being very clean. 2017 marked its 25th anniversary, and this year's index analyzed perceived corruption levels with respect to the civil liberties of citizens.



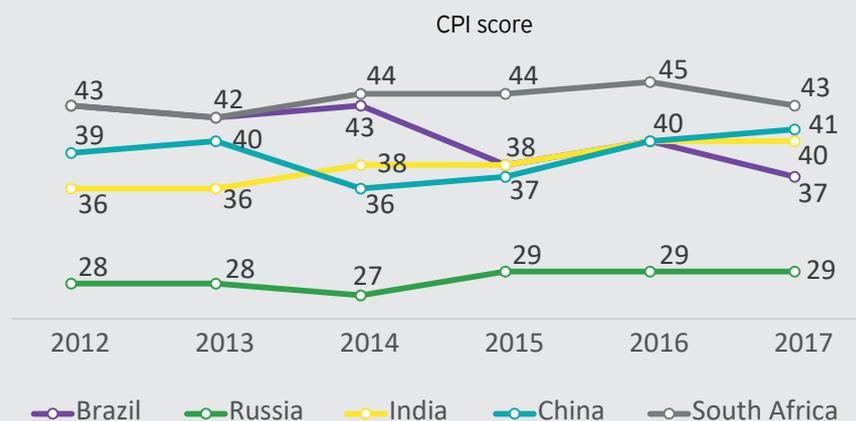
TI's 2017 report places emphasis on the role of civil liberties such as freedom of association and expression. It further outlines that the ability of citizens to form groups, influence public policy, and a free and an independent media are essential elements to combat corruption.

Majority of countries are making little or no progress in ending corruption, while further analysis shows journalists and activists in corrupt countries risking their lives every day in an effort to speak out.

India's score in TI's CPI 2017

India ranks 81st in the global CPI 2017 out of 180 countries, while in 2016 it ranked 79th among 176 countries. A quick comparison of the CPI scores for BRICS nations in recent years yields interesting anti-corruption trajectories:

| Country | CPI score 2017 | Rank 2017 |
|--------------|----------------|-----------|
| Brazil | 37 | 96 |
| Russia | 29 | 135 |
| India | 40 | 81 |
| China | 41 | 77 |
| South Africa | 43 | 71 |





Brazil's score has witnessed an overall dip, largely because of high-profile cases of corruption in the country. However, the Government has made efforts to establish anti-corruption laws such as the Clean Companies Act (2014).



China saw a dip in its score but managed to reach its highest score in the last six years in the latest report as a result of encouraging anti-corruption steps. For example, it has enacted amendments that strengthen the PRC Anti-Unfair Competition Law, including provisions that offer more clarity on the scope of what constitutes commercial bribery.



Russia has consistently had the lowest scores among all BRICS nations. Another recent survey conducted by TI on corporate reporting* also brought to light concerning facts. This survey was conducted for 200 large companies whose profits formed more than 70% of the total national income and the average score was 2.6 out of a maximum of 10.



South Africa has had the highest score among all BRICS nations. However, it saw a dip in the latest report because of large-scale corruption observed in recent times.

*Note - Assessing Russia's Largest Companies "Transparency International-Russia" Report



Recent anti-corruption trends and actions in India

- ▶ Enactment of legislations such as the Insolvency and Bankruptcy Code, Income Declaration Scheme and recommendations of the Uday Kotak Committee on corporate governance
- ▶ Demonetization of high-value currency notes
- ▶ Crackdown on shell companies
- ▶ Increase in importance of elements such as investigative journalism and NGOs to uncover instances of bribery and corruption
- ▶ Digitization initiatives to increase transparency



Further action needed

- ▶ Establishment of laws and regulations around anti-bribery and anti-corruption
- ▶ Adequate enforcement of laws and punishing of wrongdoers
- ▶ Encouragement to avenues for the press and activists to raise issues
- ▶ Enhancement of overall awareness of ethics and integrity - important at a corporate level and in society in general (schools and colleges)

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